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H PLEASE PASS TO CODEL CARDIN

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TAGS: [OREP](#) [PREL](#) [SP](#)  
SUBJECT: SCENESETTER FOR CODEL CARDIN, FEBRUARY 15-17, SPAIN

¶1. (U) Summary: Embassy Madrid welcomes the February 15-17 visit of Codel Cardin to Spain. U.S.-Spain relations are strong and based on shared global interests, including our association in NATO, the fight against terrorism, and growing economic ties. Spaniards are enthusiastic about President Obama, and President Zapatero's desire for closer bilateral relations and enhanced engagement is reflected in GOS stances on Afghanistan and Guantanamo. Counter-terrorism and law enforcement cooperation is strong, and business ties are increasing. End summary.

#### Political and Economic Context

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¶2. (SBU) Zapatero came to the Presidency in 2004 and won re-election in 2008, but the story since then has been the erosion in his popularity because of the long recession and rising unemployment. His center-left Spanish Socialist Workers Party (PSOE) is seven seats shy of a congressional majority and fared poorly in regional and European Parliament elections in 2009. Polls indicate the main opposition party -- the center-right Popular Party or PP -- would win an election held today. Zapatero is not expected to hold another general election until the spring of 2012.

¶3. (U) Spain grew much faster than the EU average over the 15 years through 2007 and now has the world's 9th largest economy. The rapid growth was driven by a housing boom that ended in 2007, after which the world economic crisis aggravated the economy's woes. Spain has been in recession for almost two years. The economy is to be the last large economy to begin to recover, and the eventual recovery is expected to be sluggish. Unemployment, now over 19 percent, is expected to pass 20 percent this year. The GOS has responded with a major fiscal stimulus. This has boosted the budget deficit above 11 percent of GDP, and the GOS will have to limit spending significantly between now and 2013 to meet EU deficit requirements. In recent days, financial markets have driven down the value of Spanish debt, apparently because of concern that the government will not be able to address its budget difficulties. Zapatero's government is working to reorient Spain's economy towards more sustainable sectors, with renewable energy a key priority. Spain, the tenth largest foreign investor in the U.S., is especially active in wind and solar power, banking, and road construction. The U.S. is also a major investor in Spain.

#### EU Presidency

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¶4. (U) Spain's presidency of the Council of the EU gives Zapatero an opportunity to emphasize an international role to counter the negative domestic economic situation. However, Spain's role is constrained by the need to adjust to the new roles of EU President Van Rompuy and High Representative Ashton. The GOS has also been stung by foreign press criticism that Spain's economic difficulties disqualify it from helping lead EU economic recovery efforts. Spain's stated priorities for its presidency are: full implementation of the Treaty of Lisbon; promoting economic recovery and sustainable growth across Europe and launching the EU 2020 strategy for growth and jobs; strengthening the EU's foreign policy to make the EU truly a global player; and fostering Europe of rights

and freedoms for its citizens.

15. (SBU) Spain was eager to host a U.S.-EU summit as the centerpiece of its Presidency and was disappointed to learn recently that this would not happen. Nevertheless, the GOS is stressing the strength of U.S. ties to Spain and Europe and the important agenda we share.

16. (SBU) We are emphasizing that there was no hidden message in the decision regarding a summit. The U.S. never agreed to such a summit (unfortunately, the GOS had publicly announced the dates implying

they were agreed). The decision was based on the President's very busy agenda and had nothing to do with the importance the U.S. attaches to Spain or Europe. The U.S. has no more important relationship than the one it enjoys with Europe, and Spain is an important and valued ally. The President traveled to Europe six times last year and met twice with Zapatero in the last year. Zapatero spoke at the National Prayer Breakfast February 4. The President will receive King Juan Carlos at the White House February 17.

#### Terrorism

17. (SBU) Spain remains a target for Islamic extremists. Top al-Qaida leaders routinely call for the recapture of the former Muslim-controlled region they still call "al-Andalus." Spain suffered one of the bloodiest terrorist attacks in European history on March 11, 2004, when Islamic extremists carried out the Madrid train bombings. Spain has also been combating domestic terror from the Basque group ETA for more than 40 years. Although ETA remains a threat, cooperation with French and Portuguese authorities have yielded numerous successes against ETA in recent years. GOS officials value close counter-terrorism cooperation with the U.S. and, within the EU, have been proponents of information sharing. The GOS has also been supportive on enhanced airline security measures.

#### Afghanistan, Guantanamo, and Security Cooperation

18. (U) Spain operates a Provincial Reconstruction Team in Afghanistan with about 1,000 troops participating in ISAF. Zapatero recently announced he would seek congressional authorization to send another 511 troops to Afghanistan along with 40 civilian police trainers. Spain has suffered nearly 90 casualties in Afghanistan, most in two serious aviation mishaps. The GOS has also said it will take five Guantanamo detainees to assist the U.S. in closing the detention facility. In both cases, Zapatero has faced public criticism that he has subordinated Spain's interest to President Obama's. Spain also allows us the use of two military bases, Rota (which you will visit) and Moron, which are crucial transit points between the U.S. and Afghanistan and Iraq.

#### Iran, the Middle East, and Union for the Mediterranean

19. (SBU) Spain supports EU initiatives on Iranian non-proliferation. It recognizes the threat from the Iranian nuclear program and is concerned about the human rights violations in Iran. Spain hopes a strong, new UN Security Council Resolution will emerge on Iran, but the GOS recognizes the need for enhanced sanctions in any case and has expressed a desire to work closely with the U.S. on this issue.

110. (SBU) Spain is an active diplomatic player in the Near East and supports U.S. peace efforts. Spain has a good relationship with Syria and with the Palestinian Authority. It has also worked in recent months to improve its chemistry with the Government of Israel and hopes PM Netanyahu will visit during Spain's EU Presidency. This has much to do with FM Moratinos' experience in the region as EU Special Envoy for the Middle East Peace Process. Spain has over 1,000 troops in the UN mission in Lebanon (UNIFIL) and recently took command of that mission.

111. (U) Spain is a strong supporter of the Union for the Mediterranean and is working toward a summit in June in Barcelona.

Moratinos warned recently that preparing such a summit was difficult because of the complicated situation in the Middle East.

#### Maghreb and the Sahel

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¶12. (SBU) The importance of these regions has been increasing for Spain because of terrorism, illegal immigration, and narcotics trafficking. The still unresolved November 2009 kidnapping in Mauritania by al-Qa'ida in the Islamic Maghreb (AQIM) of three Spanish NGO aid workers has garnered wide attention here and been a vivid reminder of the threat from AQIM.

¶13. (SBU) In 2006 the maritime flow of illegal immigrants headed to Spain rose dramatically, with the Canary Islands being a principal destination. A sustained law enforcement response has reduced the flow. Members of the National Police and Civil Guard are engaged in security assistance and liaison programs with several countries in Africa (Morocco, Cape Verde, Senegal, and Mauritania). Spain has increased its diplomatic engagement in West Africa in part to safeguard repatriation arrangements for illegal immigrants.

¶14. (SBU) Spain remains a principal entry, transshipment, and consumption zone for the large quantities of South American cocaine and Moroccan cannabis destined for European consumer markets, and is also a major source and transit location for drug proceeds returning to South and Central America. West African traffickers play an increasingly important role in this trade. Spanish cooperation with DEA is strong.

¶15. (SBU) On Western Sahara, there is strong public support in Spain for Polisario and the Sahrawis. The GOS, as a former occupying power in what is now Western Sahara, takes a neutral position, calling for continued discussions over the long term. The GOS supports regional consultations by the UNSYG's envoy.

#### Somali Piracy

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¶16. (SBU) Somali piracy has been a major issue for the Spanish, with two Spanish boats taken and ransomed in 2008 and 2009. The issue has caused much embarrassment to the GOS because of its perceived powerlessness in the face of the pirates. The Spanish have played a prominent role in the EU's anti-piracy operation (Atalanta) and have offered to lead an EU training mission for Somali security forces.

#### Personal Security

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¶17. (U) In general, Spain is safe. However, Madrid and other large cities attract a large number of criminals and pickpockets, and frequent crimes of opportunity against the unwary do occur. It is best to carry only essential items, including a photocopy of your passport's photo page. Visitors can protect themselves against crime by being street-smart, alert, and aware of their surroundings.

Travelers are encouraged to review the most recent Worldwide Caution issues by the Department of State. As the Department of State continues to develop information on any potential security threats to Americans overseas, it shares credible threat information through its Consular Information Program, available on the Internet at <http://travel.state.gov>.

Additional information regarding safety and security in Spain is available on the U.S. Department of State's website ([www.embusa.es](http://www.embusa.es)).

SOLOMONT